



Demand Payment Letter

(Funding Year 2008: July 1, 2008 - June 30, 2009)

June 14, 2016

Dilip Patel

SAN BERNARDINO CITY UNIF S D

793 N E Street

San Bernardino, CA 92410

Re: Form 471 Application Number: 603185
Funding Year: 2008
Applicant's Form Identifier: SBCUSD471Y11P2
Billed Entity Number: 143740
FCC Registration Number: 0004119814
SPIN: 143020726
Service Provider Name: Vector Resources, Inc.
Service Provider Contact Person: Robert Messinger
Payment Due By: 7/14/2016

You were previously sent a Notification of Commitment Adjustment Letter informing you of the need to recover funds for the Funding Request Number(s) (FRNs) listed on the Funding Commitment Adjustment Report (Report) attached to the Notification of Commitment Adjustment Letter. A copy of that Report is attached to this letter.

The balance of this debt is due within 30 days from the date of this letter. Failure to pay the debt within 30 days from the date of this letter could result in interest, late payment fees, administrative charges, and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see <https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions>.

If the Universal Service Administrative Company (USAC) has determined that both the applicant and the service provider are responsible for a Program rule violation, then, pursuant to the Order on Reconsideration and Fourth Report and Order (FCC 04-181), USAC will seek recovery of the improperly disbursed amount from BOTH parties and will continue to seek recovery until either or both parties have fully paid the debt. If USAC has determined that both the applicant and the service provider are responsible for a Program rule violation, this was indicated in the Funding Commitment Adjustment Explanation on the Funding Commitment Adjustment Report.

Funding Commitment Adjustment Report
Form 471 Application Number: 603185

Funding Request Number: 2083681
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143020726
Service Provider Name: Vector Resources, Inc.
Contract Number: N/A
Billing Account Number:
Site Identifier: 143740
Original Funding Commitment: \$2,884,789.48
Commitment Adjustment Amount: \$2,884,789.48
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date: \$2,084,616.99
Funds to be Recovered from Applicant: \$2,084,616.99
Funding Commitment Adjustment Explanation:

After multiple requests for documentation and application review, it has been determined that this funding commitment must be rescinded in full. The applicant failed to comply with the FCCs competitive bidding requirements. E-rate program rules require a competitive bidding process where an applicant chooses a service provider only after defining all of the specific services eligible for support at each eligible entity. Only by doing so can applicants ensure that they are receiving the most cost-effective services because bidders have sufficient information to determine exact bid prices. Applicants are required to provide bona fide requests for service, so that potential providers can provide accurate bids. The FCC elaborated on the meaning of bona fide in the Universal Service Order, where it stated that Congress intended to require accountability on the part of schools and libraries, which should therefore be required to (1) conduct internal assessments of the components necessary to use effectively the discounted services they order; (2) submit complete description of services they seek so that it may be posted for competing providers to evaluate. In this instance, you defined the scope of the services in the RFP using four sample sites as a representation of the remaining 77 sites at the district. You stated that those four sites represented the worst case scenarios for an elementary, middle, high school and administrative building. You also stated that these sample sites represented the largest diversity of installation services, and that the district did not have the resources to determine their exact needs up front. Because you used these sample locations, you did not specify the actual quantities of products/services needed for each site. Further, because the models were worst case scenarios, an extrapolation of these sites would lead to overstatement of the needs of the district and does not meet the requirement for a complete and accurate description of the services sought. Because you failed to provide a bona fide request for services, service providers could not provide accurate bids and you violated the FCCs requirements for fair and open competitive bidding process. Your funding commitment will be rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

PLEASE SEND A COPY OF THIS PAGE WITH YOUR
CHECK TO ENSURE TIMELY PROCESSING

Paul Stankus
SAN BERNARDINO CITY UNIF S D
324 E. 11th St., Suite E-3
Tracy, CA 95376



Demand Payment Letter

(Funding Year 2008: July 1, 2008 - June 30, 2009)

June 14, 2016

Dilip Patel

SAN BERNARDINO CITY UNIF S D

793 N E Street

San Bernardino, CA 92410

Re: Form 471 Application Number: 603185
Funding Year: 2008
Applicant's Form Identifier: SBCUSD471Y11P2
Billed Entity Number: 143740
FCC Registration Number: 0004119814
SPIN: 143006793
Service Provider Name: Checkpoint Communications Inc.
Service Provider Contact Person: James Shoaff
Payment Due By: 7/14/2016

You were previously sent a Notification of Commitment Adjustment Letter informing you of the need to recover funds for the Funding Request Number(s) (FRNs) listed on the Funding Commitment Adjustment Report (Report) attached to the Notification of Commitment Adjustment Letter. A copy of that Report is attached to this letter.

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If the Universal Service Administrative Company (USAC) has determined that both the applicant and the service provider are responsible for a Program rule violation, then, pursuant to the Order on Reconsideration and Fourth Report and Order (FCC 04-181), USAC will seek recovery of the improperly disbursed amount from BOTH parties and will continue to seek recovery until either or both parties have fully paid the debt. If USAC has determined that both the applicant and the service provider are responsible for a Program rule violation, this was indicated in the Funding Commitment Adjustment Explanation on the Funding Commitment Adjustment Report.

If USAC is attempting to collect all or part of the debt from both the applicant and the service provider, then you should work with your service provider to determine who will be repaying the debt to avoid duplicate payment. Please note, however, that the debt is the responsibility of both the applicant and service provider. Therefore, you are responsible for ensuring that the debt is paid in a timely manner.

Please remit payment for the full "Funds to be Recovered from Applicant" amount shown in the Report. To ensure that your payment is properly credited, please include a copy of the Report with your check. Make your check payable to the Universal Service Administrative Company (USAC).

Use one of the appropriate addresses listed below to send payments to USAC.

U.S. Postal Service and Standard Mail for Payments:

USAC
PO Box 105056
Atlanta, GA 30348-5056

Courier and Overnight Packages:

USAC
Lockbox 105056
1075 Loop Road
Atlanta, GA 30337
(404) 209-6377

ACH payments:

USAC requests that all ACH payment be sent in CCD+ format to:
ABA Routing #071000039, Account #5590045653

Payment is due within 30 days from the date of this letter.

Complete Program information is posted to the SLP section of the USAC website at www.usac.org/sl/. You may also contact the SLP Client Service Bureau by email using the "Submit a Question" link on the SLP website, by fax at 1-888-276-8736 or by phone at 1-888-203-8100. Contacting SLP for questions does not change the deadline for your response to this Letter.

Universal Service Administrative Company
Schools and Libraries Program

cc: James Shoaff
Checkpoint Communications Inc.

Funding Commitment Adjustment Report
Form 471 Application Number: 603185

Funding Request Number: 1756315
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143006793
Service Provider Name: Checkpoint Communications Inc.
Contract Number: 32-05
Billing Account Number:
Site Identifier: 143740
Original Funding Commitment: \$176,000.00
Commitment Adjustment Amount: \$176,000.00
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date: \$56,241.77
Funds to be Recovered from Applicant: \$56,241.77
Funding Commitment Adjustment Explanation:

After multiple requests for documentation and application review, it has been determined that this funding commitment must be rescinded in full. The applicant failed to comply with the FCCs competitive bidding requirements. E-rate program rules require a competitive bidding process where an applicant chooses a service provider only after defining all of the specific services eligible for support at each eligible entity. Only by doing so can applicants ensure that they are receiving the most cost-effective services because bidders have sufficient information to determine exact bid prices. Applicants are required to provide bona fide requests for service, so that potential providers can provide accurate bids. The FCC elaborated on the meaning of bona fide in the Universal Service Order, where it stated that Congress intended to require accountability on the part of schools and libraries, which should therefore be required to (1) conduct internal assessments of the components necessary to use effectively the discounted services they order; (2) submit complete description of services they seek so that it may be posted for competing providers to evaluate. In this instance, you defined the scope of the services in the RFP using four sample sites as a representation of the remaining 77 sites at the district. You stated that those four sites represented the worst case scenarios for an elementary, middle, high school and administrative building. You also stated that these sample sites represented the largest diversity of installation services, and that the district did not have the resources to determine their exact needs up front. Because you used these sample locations, you did not specify the actual quantities of products/services needed for each site. Further, because the models were worst case scenarios, an extrapolation of these sites would lead to overstatement of the needs of the district and does not meet the requirement for a complete and accurate description of the services sought. Because you failed to provide a bona fide request for services, service providers could not provide accurate bids and you violated the FCCs requirements for fair and open competitive bidding process. Your funding commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

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